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SUBJECT: SENATOR HAGEL'S DECEMBER 4 MEETING WITH PRESIDENT  
MUBARAK

Classified by Ambassador Francis J. Ricciardone, for reasons  
1.4 (b) and (d).

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Summary  
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1. (C) In a December 4 meeting, President Mubarak discussed with visiting Senator Hagel Egypt's efforts to promote peace and reconciliation in Iraq and outlined some of the obstacles that stood in the way. Mubarak stressed his dim view of the Shi'a and opined that its ties to Tehran and their "duplicitous" nature posed major complications. On Syria, Mubarak recounted Egypt's past efforts to influence Bashar, and cautioned that public calls by the USG for regime change would be counterproductive. On Israel-Palestine, Mubarak expressed confidence in Sharon and discussed Egypt's continuing efforts to temper Palestinian extremists. He underlined that economic development and employment would be the keys to the stabilization of Gaza. Mubarak provided a scathing assessment of Iran and its "extremist" new president, noting that he would not attend the December 7 Islamic summit in Mecca, deliberately to avoid any encounters with President Ahmedinejad. The Ambassador pressed Mubarak for greater Egyptian support for Europe's initiative with the IAEA to make progress toward stopping Iranian WMD production. On Egypt's domestic situation, Mubarak asserted that he was unfazed by the Muslim Brotherhood's recent parliamentary gains, but recounted their "bloody" history. On the economy, Mubarak expressed confidence in his economic reform cabinet and affirmed that job creation for youth, led by the private sector, was a key GOE goal. End summary.

2. (U) President Mubarak received Senator Chuck Hagel (R-NE) and Ambassador Ricciardone, at the Ittihadiyah Palace in Cairo on the morning of December 4. Lou Ann Linehan, Senator Hagel's Chief of Staff, Rexon Ryu, Senator Hagel's Foreign Policy Advisor, Mischa Thompson, Foreign Policy Advisor to Senator Tom Carper, poloff (notetaker), and Soliman Awad, Spokesman for President Mubarak, also attended.

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Iraq: "I Must Do Whatever I Can"  
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3. (C) Mubarak acknowledged Senator Hagel's thanks for his involvement in the late November conference on Iraqi reconciliation at the Arab League, stating "I must do whatever I can" to support progress in Iraq. The President recalled that only his personal intervention in the recent conference proceedings broke through an initial frosty deadlock among the Iraqi participants. Mubarak added that he had to provide personal assurances of his involvement in the conference before Prime Minister Ja'fari finally agreed to come from Baghdad.

4. (C) The President made clear his view that the role of politicized Iraqi Shi'a Muslims severely complicated progress toward a solution in Iraq. In Mubarak's view, the Shi'a were extremely difficult to deal with and given to deception. The President noted the presence of significant Shi'a minorities in Kuwait, Saudi Arabia, and Qatar, and the Shi'a majority in Bahrain, opining that all of these communities were subject to influence from Tehran.

5. (C) On the outlook for a resolution to the continuing violence in Iraq, Mubarak recalled earlier advising President Bush that he should "forget all about democracy in Iraq," - the complexity of the country's competing ethnic, religious, and political interest groups precluded democracy, he believed. In Mubarak's view, the only solution for Iraq would be the emergence of a "strong leader...tough but fair."

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Syria  
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6. (C) Senator Hagel asked Mubarak for his assessment of whether Bashar was firmly in control of the SARG. Mubarak replied that Bashar "is in a difficult position." He advised the U.S. not to make too much of Syria's ties with Iran,

opining that the ties between the two states were in fact "not strong" - the Iranians were essentially untrustworthy. On the U.S. posture toward Syria in light of the Mehlis investigation and UNSC engagement, Mubarak urged that the U.S. avoid stating publicly that it sought "regime change" in Syria. "This would work against you," and rally Arab public opinion around the SARG, the President asserted. "I have tried hard with Syria ever since Bashar took office," Mubarak stated. "I advised Bashar that the world was changing and that Syria had to change with it."

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Israel-Palestine Peace Process  
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17. (C) Senator Hagel thanked the President for Egypt's continuing strong support for progress in the Israeli-Palestinian peace process. "Sharon is a strong leader," Mubarak affirmed, "the strongest since Begin." Mubarak also reminisced about his strong ties to Rabin and lamented how close he, Rabin, and Hafiz al-Asad had been toward reaching a peace between Israel and Syria. In the end, Mubarak asserted, the sticking point was not full withdrawal from the Golan, which Israel accepted, but the establishment of full diplomatic ties, at which Asad balked.

18. (C) On the current situation, Mubarak said stability in Gaza cannot be maintained unless Gazans can "enjoy the fruits of peace." Economic development and jobs for Gaza's youth must be realized, the President asserted, or else they will revert to terror. "We don't want Sharon to get nervous," Mubarak continued, and Egypt was working hard on Hamas, to get them to abandon terrorism, but "they are unreliable." "Do you know who created Hamas? It was the Israelis!" Mubarak stated.

19. (C) On the West Bank, the continued expansion of the separation wall was having a negative effect on the mentality of the people, Mubarak opined. Nonetheless, the President continued, "we are working hard," and Egypt has good contacts with both the Palestinian and Israeli leaderships.

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Iran  
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10. (C) The President called attention to the untrustworthiness and duplicity of the regime in Tehran. As one example, the President recalled a meeting he had held in Geneva approximately one year ago with President Khatemi. Mubarak suggested that renaming the Tehran street named after Sadat assassin Khalid Islambouli would be a confidence builder. Instead, Ahmedinejad, then mayor of Teheran, had erected a large new billboard commemorating Islambouli and his "great deed."

11. (C) Senator Hagel told the President that he had just heard from King Abdullah in Riyadh that he had received an emissary from Tehran dispatched to explore upgrading ties between Tehran and the KSA. Mubarak said he was intrigued to hear this and would ask King Abdullah about it when he saw him during a brief visit to Saudi Arabia he was planning for December 8. Mubarak also noted that he was declining to participate in the OIC summit in Saudi Arabia, on December 7, because he did not wish to meet President Ahmedinejad. "The Saudis are very cautious...they know very well that the Iranians are dangerous," Mubarak stated.

12. (C) Mubarak described Iran's new president as an "extremist," but advised the United States not to take too much public action against him, as this would work in his favor. "Don't think of launching an attack, this would unite the people behind the President...This would be very much against U.S. interests in the region," Mubarak cautioned.

13. (C) The Ambassador replied that we shared Mubarak's suspicions about Iran, and in particular regarding its apparent attempts to develop WMD. The US was working with France, Germany, and even Russia at the IAEA, but evidently Egypt's MFA has some reservations about the utility of pressing them at the IAEA. Egypt could provide more help to the current European initiative in the IAEA, the Ambassador added, "we'd like to count on Egypt's support." In response, Mubarak said that Egypt was limited as to what it could say publicly. All WMD was bad, he continued, and "fanatics will pick it up," if Egypt singles out Iran and ignores other WMD in the region. "The back channel is the best way to make progress on this issue. Do not use force."

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Egypt's Internal Situation  
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14. (C) Senator Hagel asked the President about the current legislative elections (which will conclude on December 7). Mubarak noted that the Muslim Brotherhood (MB) had so far secured 75 seats in the next People's Assembly (up from 16 in the outgoing PA) and predicted that they "may reach 85 to 90

seats" when the elections conclude. While some in the government were very worried by this development, Mubarak continued, he saw no cause for panic, recalling that the MB had held 95 seats in the People's Assembly as recently as 1987. "I don't worry about their seats but I worry about their intentions," the President stated. The MB "may say nice things" from time to time, but "we know them very well," Mubarak said darkly, "we have known them since 1928. "They killed the Prime Minister (Ahmed Maher in 1944), they killed a judge who tried them, they killed the Interior Minister, they tried to kill Nasser, and Sadat, who loved them very much and gave them freedom...they killed him too. They have also tried to kill me several times."

15. (C) Mubarak recalled an earlier visit to Saudi Arabia in which he and Omar Soliman had provided the Saudis specific information about "dangerous" Egyptians affiliated with the MB living and working in the Kingdom. Mubarak also underlined links between Hamas and the MB, and implied that Egyptian MB were providing assistance and support to their Palestinian counterparts.

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Egypt's Economy  
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16. (C) Senator Hagel asked the President for his views on Egypt's economic outlook. "We have good ministers," Mubarak said, naming in particular Finance Minister Boutros-Ghali and Trade Minister Rachid, currently visiting Washington. Mubarak asserted that creating jobs for Egypt's youth was his top priority, and cited the creation of new industrial zones, which benefited from state land grants and other privileges, especially in Upper Egypt, a region which had earlier been neglected, Mubarak noted.

17. (C) Asked by the Senator about privatization, Mubarak said that the GOE was banking on the private sector as the key to Egypt's economic development - and employment creation. The President recalled that privatization had originally been fiercely resisted, but allowed that it had now been proven a success. Mubarak acknowledged that one challenge Egypt continued to face was in transforming social attitudes toward employment. He recalled how the GOE had experienced difficulty in recruiting youth to take up good jobs at new industrial cities in the desert, as so many were unwilling to relocate outside of Cairo. To illustrate the need for changing popular attitudes, he cited an exchange with a young woman working at a private sector textile factory in the Delta, who yearned for an "appointment" to a government job, even though the salary was much lower.

18. (U) Senator Hagel did not clear this message before departing Egypt.

RICCIARDONE